

# **EXHIBIT CQ**

## **[PUBLIC VERSION]**

## Message

**From:** Caitlin Long [caitlin@custodiabank.com]  
on behalf of Caitlin Long <caitlin@custodiabank.com> [caitlin@custodiabank.com]  
**Sent:** 1/27/2023 2:40:23 PM  
**To:** Mark Van Der Weide [mark.vanderweide@frb.gov]  
**CC:** Asad Kudiya [asad.i.kudiya@frb.gov]; Judith Hazen (FRS) [judith.hazen@kc.frb.org]; Lael Brainard [lael.brainard@frb.gov]; michael.barr@frb.gov; Esther George (FRS) [esther.l.george@kc.frb.org]  
**Subject:** Re: Custodia does not withdraw its membership application; willing to resubmit it if that is necessary for Fed to finally review updated record

Mark, thank you for your reply. That does not accurately reflect Custodia's position though. There was a second part to our message – Custodia isn't withdrawing but will resubmit its membership application, with all updated and remediated documentation included, if doing so is necessary for the Fed to finally review our updated membership application record. That record is clouded by substantial process problems, as detailed in our letter. Will the Fed consider this information as part of our existing application?

It would be a good idea for us to speak live, to clear up misunderstandings about Custodia. When we did that previously, in June 2021, it led to progress – Custodia applied to become a member bank as a way to break the logjam on the master account.

It seems you believe crypto is a threat to banking system stability. Much of it is, but some of it is not – and that's where Custodia intends to do business. I believe regulators could truly benefit from the knowledge of responsible players who understand how to distinguish the wheat from the chaff, and who want the chaff to burn on a raging pyre before it hurts the banking system and consumers again. Very few people truly saw what was coming well before it happened — from the bank runs to the imploding lenders and even to the biggest fraud. Custodia did, and informed law enforcement months before FTX imploded. Aren't you curious how? That was no accident. And, among those few people, even fewer would be at the table with you – but we are, and we've been trying hard to work with you. I still have no idea what the Fed's real issue with Custodia's business plan is, and would like to understand it.

Thank you

On Thu, Jan 26, 2023 at 6:37 PM Mark Van Der Weide <[mark.vanderweide@frb.gov](mailto:mark.vanderweide@frb.gov)> wrote:

Caitlin:

Thank you for informing the Federal Reserve that Custodia is not withdrawing its application to become a state member bank.

Mark

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**From:** Caitlin Long <[caitlin@custodiabank.com](mailto:caitlin@custodiabank.com)>  
**Sent:** Thursday, January 26, 2023 4:55 PM  
**To:** Mark Van Der Weide <[mark.vanderweide@frb.gov](mailto:mark.vanderweide@frb.gov)>; Asad Kudiya <[asad.i.kudiya@frb.gov](mailto:asad.i.kudiya@frb.gov)>; Judith

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As requested, Custodia's written response is attached.

Regards,

Caitlin Long

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**Caitlin Long**

*Founder & Chief Executive Officer*

[www.custodiabank.com](http://www.custodiabank.com)

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